

Message Text

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ORIGIN OES-09

INFO OCT-01 NEA-10 ISO-00 COME-00 TRSE-00 L-03 SS-15
NSF-01 OMB-01 AID-05 EB-08 CIAE-00 INR-10 NSAE-00
/063 R

DRAFTED BY OES/APT/BMP:ASCHAPMAN:MFC
APPROVED BY OES:TRPICKERING
COM:TSCHELL (SUBSTANCE)
TREAS:RBANQUE (SUBSTANCE)
NEA/IAI:MDEAN (INFO)
OES/APT:CLMCCLELLAND
OES/APT/BMP:MHCRAWFORD
L/OES:MMCLEOD
DESIRED DISTRIBUTION
COM FOR JORDAN BARUCH, TREASURY FOR BOB BANQUE
-----054567 252255Z /64
P 252155Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV PRIORITY

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FOR AMBASSADOR LEWIS FROM THOMAS PICKERING

E.O. 11652: N/A

TAGS:TGEN, IS

SUBJECT:ISRAEL-U.S. BINATIONAL INDUSTRIAL R AND D FOUNDATION (BIRDF)

REF: TEL AVIV 8572

1. I HAD MEETING WITH U.S. GOVERNORS TO CONSIDER REFTEL
ON JULY 21; DR. BARUCH, MR. BANQUE (REPRESENTING DR.
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BERGSTEN), AND MEMBERS OF THEIR STAFFS. ALSO PRESENT WAS
DR. JACK GOLDMAN, VICE PRESIDENT OF XEROX AND U.S. CO-
CHAIRMAN OF THE BIRD ADVISORY COUNCIL.

2. THE CONCERNS EXPRESSED BY PROF. LAVIE AND CONTAINED
IH REFTEL WERE DISCUSSED AT LENGTH, AND THE VALUABLE PER-
SPECTIVE PROVIDED BY YOUR LETTER OF JULY 10 TO DR. BARUCH

WAS MUCH APPRECIATED. THE CONSENSUS OF THE U.S. GOVERNORS IS THAT THE BIRDF FACES A SERIOUS PROBLEM AS BLACKMAN DOES NOT SEEM TO BE WORKING OUT. ALTHOUGH THE U.S. GOVERNORS ARE NOT AS ALARMED ABOUT THE SLOW RATE OF PROJECT DEVELOPMENT AS LAVIE, THEY DO NOT MINIMIZE THE SERIOUSNESS OF THE CONCERN HE HAS EXPRESSED. THEY WISH TO RESPOND TO THIS CONCERN CONSTRUCTIVELY AND TO CONTINUE TO WORK CLOSELY WITH THEIR ISRAELI COLLEAGUES SO AS TO ACHIEVE THE OBJECTIVES OF THE FOUNDATION.

3. IT WAS THE UNANIMOUS OPINION OF THE U.S. GOVERNORS THAT AN EXTENSION BY TWO MONTHS OF THE EXECUTIVE DIRECTOR'S PROBATIONARY PERIOD WOULD BE DIFFICULT, SINCE IT WOULD REQUIRE MODIFICATION OF HIS CONTRACT AND THEREFORE THE AGREEMENT OF MR. BLACKMAN. FURTHERMORE, DOUBT WAS EXPRESSED THAT AN EXTENSION WOULD BE VERY HELPFUL. THE U.S. GOVERNORS AGREE WITH YOU THAT A CAREFUL ASSESSMENT OF PROGRESS MUST BE MADE EARLY IN AUGUST SO THAT A DECISION CAN BE REACHED BEFORE THE END OF THE MONTH WHETHER OR NOT TO RETAIN MR. BLACKMAN FOR THE SECOND YEAR OF HIS CONTRACT. IT WAS THEREFORE AGREED THAT DR. BARUCH WILL TELEPHONE PROF. LAVIE DURING THE WEEK OF JULY 24 TO EXPLAIN THE ABOVE POINTS. BARUCH INTENT IS TO RESPOND TO PROF. LAVIE IN A LOW KEY MANNER WHICH LEAVES THE STATUS OF MR. BLACKMAN OPEN UNTIL MORE LIMITED OFFICIAL USE

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INFORMATION IS AVAILABLE ON THE PERFORMANCE OF MR. BLACKMAN, PARTICULARLY FROM AMERICAN AND ISRAELI COMPANIES INTERESTED IN BIRDF SUPPORT.

4. IN ORDER TO OBTAIN THE INFORMATION FROM THE ISRAELI SIDE, THE U.S. GOVERNORS WOULD APPRECIATE EMBASSY ASSISTANCE, IT IS REQUESTED THAT THE EMBASSY CONTACT A REPRESENTATIVE SAMPLE OF ISRAELIS WITH WHOM MR. BLACKMAN HAS DEALT AND ENDEAVOR TO OBTAIN DETAILED ANSWERS TO AS MANY OF THE FOLLOWING QUESTIONS AS POSSIBLE: (1) HOW HAS HE ATTEMPTED TO ESTABLISH CONTACT WITH ISRAELI COMPANIES? (2) HOW DO COMPANY REPRESENTATIVES FEEL ABOUT THE BIRDF GUIDELINES AND HIS EXPLANATION OF THEM? (3) WHAT IS MR. BLACKMAN DOING TO ASSIST THEM TO PREPARE ACCEPTABLE PROPOSALS? (4) WHAT ARRANGEMENTS HAS HE MADE FOR TECHNICAL AND COMMERCIAL EVALUATION OF PROPOSALS? (5) WHAT IS THE PRESENT STATUS OF PROPOSALS? NEED INFORMATION ON NUMBER, THEIR STAGE OF PREPARATION, AND, IF POSSIBLE, A PROGNOSIS ON DATE FOR THEIR SUBMISSION TO BIRDF. (6) PLEASE ASSESS BLACKMAN PROGRESS IN HANDLING ADMINISTRATIVE PROBLEMS IN GETTING THEM MOVING. (7) PLEASE CABLE THE BEST POSSIBLE ANSWERS TO THESE QUESTIONS BEFORE AUGUST 14.

5. DR. GOLDMAN OF XEROX EXPECTS TO ARRIVE IN ISRAEL ON OR ABOUT JULY 24 FOR A VISIT OF SIX DAYS. HE HAS ALREADY PROVIDED THE U.S. GOVERNORS WITH A QUICK SAMPLING OF ISRAELI COMPANY REACTION TO MR. BLACKMAN'S EFFORTS, WHICH HE HAS SUMMARIZED AS QUOTE NOT ENTHUSIASTICALLY POSITIVE, NOT ALL NEGATIVE. END QUOTE. SINCE DR. GOLDMAN WAS GOING TO BE

IN ISRAEL, IS WELL CONNECTED WITH ISRAELI BUSINESSMEN, AND, THROUGH THE BIRDF ADVISORY COUNCIL, HAS A STRONG INTEREST IN THE SUCCESS OF THE BIRDF, THE U.S. GOVERNORS ASKED HIM IF HE WOULD UNDERTAKE AN INDEPENDENT AND DISCREET INQUIRY INTO PROGRESS OF THE PROGRAM, TO WHICH HE AGREED. HE WILL CALL ON YOU TO EXCHANGE VIEWS. WE WOULD APPRECIATE SCIATT LIMITED OFFICIAL USE

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MILLS PROVIDING DR. GOLDMAN WITH A COPY OF THE QUESTIONS GIVEN IN PARA 4 ABOVE TO GUIDE HIM IN THE KIND OF INFORMATION WHICH IS BEING SOUGHT. DR. GOLDMAN MAY ASK EMBASSY TO CABLE HIS FINDINGS TO WASHINGTON. IF SO THIS SHOULD BE DONE AS SOON AS POSSIBLE TO FACILITATE WASHINGTON REVIEW.

6. EMBASSY CABLES AND YOUR LETTER HAVE BEEN VERY HELPFUL IN CONSIDERING THIS DISTURBING PROBLEM. WE WOULD APPRECIATE HEARING FURTHER YOUR CANDID PERSONAL VIEWS AS WE ATTEMPT TO DETERMINE THE BEST COURSE OF ACTION DURING THE COMING MONTH. VANCE

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